Farmers Face Transportation Challenges

- Containers: Think Inside the Box
- Learn to Raise Low Protein Levels
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Cover Story
U.S. Soy Transportation Network Continues to Crumble
One of the primary reasons U.S. agriculture is so viable and competitive is a superior network of roads, bridges, railroads, inland waterways and ports. But transportation sources say the U.S. is not investing in infrastructure upkeep, which leads to problems getting soybeans to customers.

High Quality
Look Beyond Yield for Greater Value
High yields are critical to your profitability, but they aren’t the only keys to a better bottom line. Industry stakeholders stress Illinois soybean farmers need to look at other variety attributes to maintain and expand global market share.

Market Access
Grain Handlers Share Similar Concerns
Illinois soybean farmers always have been geographically fortunate to have access to a variety of markets. Unfortunately, passing soybeans through efficient transportation systems can be a challenge. Learn what concerns the grain handlers who are taking delivery of your soybeans.

Biodiesel
Farmers Host Media on Biodiesel Field Trip
Sometimes show and tell is the best way to share information with others. Telling the biodiesel story to reporters and photographers this summer generated positive news coverage. Read about how the soybean checkoff-funded effort was more than an education opportunity.

Leadership
Volunteer Takes Family Legacy from Lee County to L.A.
Katie Pratt speaks to consumers as a mom and a farmer. And she is not afraid to share her thoughts on science, technology and food. It’s a skill she has honed for years, and a skill that any farmer can use to address questions about how food is produced.

Customer Profile
Proximity to Illinois Soybeans Asset for Wisconsin Company
For more than 100 years, family-owned and operated DeLong Co., Inc., has served the farming industry. The sixth-generation business believes Illinois soybeans are part of their success.
Drought Creates Multiple Illinois Soybean Challenges

Now in the midst of harvest, many of us face crop challenges on our farms like we have never experienced before, or at least have not seen since the 1988 drought. Some Illinois farmers have very little to harvest. Others have soybeans to combine, but perhaps little or no corn. Nearly every county in Illinois was declared a disaster due to the unprecedented drought.

Having just been elected ISA chairman last month, I already see that the challenges on individual farms carry over into our industry. Soybean prices may be record-high, but dramatically lower production will cut into our research, promotion and education capabilities. My hope is that since we all contribute to the soybean checkoff, we all can help address industry challenges.

The one thing we cannot do is quit. As an industry, we still must fund those programs and projects that can help us enhance our future profitability, increase our soybean yield potential, feed more Illinois livestock and poultry, and sell more soybeans and products overseas.

The ISA board of directors has approved funding for the fiscal year that began September 1, 2012. We will continue to place priority funding order within specific target areas that include animal agriculture, transportation, soybean yield, market access and advocacy, and sustainability, among others. You can read much more about transportation in this issue of the magazine.

In the eight years I have served on the ISA board of directors and in my more than 37 years of farming, I can’t remember a tougher time for Illinois soybean farmers. I farm near Plano, Ill., which is about 50 miles west of Chicago. My operation of 100 percent no-till soybeans and minimum-till corn has taken its share of lumps this season.

But I am a firm believer in getting involved in my local community and within agriculture to help make a difference – during challenging times and during more prosperous years. As both your fellow farmer and as ISA chairman, I am interested in the outlook and opinions of others. I encourage you to contact me and let me know what is on your mind.

The 2012 drought likely will continue to create multiple challenges for us, but I am confident of our ability to generate long-term success. So please join with me and the rest of the ISA board in meeting our goals for the future.

Bill Wykes
ISA Chairman
Let’s Advocate for Improved Transportation Infrastructure

By Bill Taft

You spend a great deal of time thinking about what seed you will plant, what fertilizer you will apply, what herbicides and insecticides you will use, and how you will market your crop. You may not spend much time thinking about the complex transportation system that brings you those inputs and takes away your grain for export across the country and around the world.

We rely on three main modes of transportation – truck, rail and the inland water system. Illinois is blessed with good access to all three. Using them together effectively is key to your profitability as a farmer and our profitability as an agricultural supplier and grain marketer.

Farmers, businesses and government must work together to address transportation issues to maintain a strong economy and guarantee the greatest value in return.

In the trucking industry, increasing regulations combined with a growing shortage of qualified drivers increases operating costs. As the driver force ages, the industry is struggling to attract replacements. Although the current recession is lessening this shortage, this will become a major challenge to efficient truck transportation as the economy rebounds.

We also are anticipating increased highway congestion. The weak economy has postponed major construction projects on interstate highways. Once the economy improves and people resume normal driving habits, severe congestion is anticipated near all population centers. This might not seem like an agricultural issue, but it will impact the flow of goods moving through those areas, such as grains to ports and inputs to retailers and producers.

Railroads have merged and combined operations to the point where we need to do more to assure strong competition. Farmers without easy access to the river system continue to see increased rail rates for both inputs and for shipping crops to remote markets, as overall rail traffic is declining. We need competitive transportation systems to compete in a world market.

Locks and dams on the river system are old and in need of repair. However, funds are limited and conditions continue to deteriorate. The drought is causing some unique challenges to the river system as well. Reduced water levels add costs due to reduced payloads in each barge and longer transit times due to the severe shortage of water. Northbound barge transit times are nearly double, as shipping channels are reduced to one way traffic in areas with little water.

All of these issues directly impact our business and yours. An efficient transportation system is crucial to the overall health of the U.S. economy and to global competitiveness. USDA projects agricultural exports in 2012 to be the second highest on record, following record exports last year. We must continue to educate ourselves and work together to advocate for programs and funding to improve the infrastructure at all levels. It’s vital for our success – and yours.

Farmers, businesses and government must work together to address transportation issues to maintain a strong economy and guarantee the greatest value in return.

Bill Taft has been with GROWMARK since 1977, most recently serving as logistics division manager. He is responsible for arranging all logistics requirements for assigned products – truck, barge and rail. GROWMARK is a regional cooperative providing agriculture-related products and services, as well as grain marketing in 31 states and Ontario, Canada.
U.S. Soy Transportation Network Continues to Crumble

By Mike Steenhoek, executive director, Soy Transportation Coalition

Much of U.S. agriculture, particularly the soybean industry, has been a silver lining in an overall cloudy economy. American farmers are increasingly productive in growing quality, abundant food. Customers, both domestic and increasingly overseas, demand our production. More than half of what American soybean farmers produce is destined for the international marketplace.

One of the primary reasons U.S. agriculture is so viable and competitive is our superior network of roads, bridges, railroads, inland waterways and ports. Other countries can produce quality products at a lower price. However, it is our ability to deliver quality products to our customers in a cost-effective manner that has allowed our industry to be so competitive. Transportation is not simply a contributing factor to agriculture’s success, it is a predominant one.

Unfortunately, while Brazil and other countries are aggressively investing in their infrastructure, we remain anemic in investing in ours. It can be accurately stated that the U.S. is more a spending nation, not an investing nation. A high percentage of taxpayer dollars is used to meet immediate wants and needs, rather than provide dividends to future generations. Crumbling locks and dams, scarce access to rail service, dilapidated highways and antiquated rural roads all serve to encumber the delivery of U.S. soybeans from the farm to the ultimate customer.

ISA Director Tim Scates faces transportation challenges near his Carmi, Ill., farm.

Deteriorating Highway Conditions Drive Costs Higher

By Matt Hart, executive director, Illinois Trucking Association

I attended recently a meeting with about 40 other state trucking association directors. I think most of us agreed that the biggest current threat to the national highway transportation infrastructure where the soybean industry is concerned is the reluctance during the last 20 years to spend money at the state and federal levels on highway infrastructure improvements.

Our highways and bridges are deteriorating. As cars become more fuel efficient, we see less tax revenue from fuel taxes. Yet, there seems to be reluctance among state and federal officials to consider raising motor fuel taxes to cover necessary expenditures.

Instead, we see a push in Illinois and in other states to increase tolling, especially along major interstates that experience heavy truck traffic. Trucks hauling soybeans may be overweight, which may generate revenue, but is a costly proposition for us. My fear is that the idea will filter into local areas near grain elevators as well. For example, communities could set up toll booths in areas with a high concentration of truck traffic to try and increase local revenue.

We also must be concerned about bridge conditions. When bridges are downgraded for weight limits, truckers must go miles off routes to reach destinations, and that increases costs.

While we do face many challenges, one opportunity is expanding containerized shipping for soybeans. Asia is a big market, and many international containers arrive from China into the Chicago area. If we can load those empty containers with soybeans for the return trip to China and ship competitively, we can help expand that market for the soybean industry.
American farmers cannot compete in the world marketplace without an efficient, modern waterways system. Waterways provide the most economical way to move products to export markets, and set the baseline for other modes of transportation. The transportation network allows farmers to consistently post a positive balance of trade.

However, 57 percent of locks on the inland system are beyond their 50-year design life, and are showing their age. Locks also are too small for today’s modern tow. Most are 600 feet in length and should be 1,200 feet in length to allow for one single, 15-barge tow to enter the chamber. Locking half of the barges in at a time results in costly delays for shippers and consumers.

According to USDA, Illinois ranked second in soybean production in the United States last year. About 44 percent of Illinois soybeans are exported. Every form of transportation connects Illinois to the global marketplace.
Beans with Higher Protein and Oil are Worth More

High yields always will be critical to farmer profits. However, some industry stakeholders believe that by not growing varieties with high oil and high protein levels, farmers may be losing global market share and losing potential profits when delivering beans to the elevator.

“Processors will pay more for high-quality beans because they can extract more oil and a higher value meal out of a single load,” says former Quincy, Ill., crush plant executive Richard Galloway. He explains that processors calculate the value of a shipment of soybeans using the combined value they expect to receive from the protein and oil components. Not surprisingly, beans with higher protein and oil are worth more.

Although the volume of U.S. soybean exports is increasing, the U.S. share of the global market fell by 27 percent between 1990 and 2012. Source: USDA

High Quality

Look Beyond Yields for Greater Value

Beans with higher protein and oil are worth more.
than beans with lower component levels.

“What crushers pay for reflects what they can receive for separate components. The more oil, the higher the overall crush value; the more protein, the more valuable the meal,” he says.

“Lower protein and oil levels force crush plant customers to charge less for their products,” says Bill Raben, soybean farmer from Ridgway, Ill., and ISA vice chairman. “If protein and oil levels rise, customers will place higher value on our soybeans.”

Illinois traditionally has been known for producing premium soybeans, and the state’s prime location makes soybeans easy to export. But the Japan Oilstuff Inspector’s Corporation (JOSIC) finds Illinois is losing market share internationally because the state’s soybeans do not contain the minimum 19 percent oil and 35 percent protein that customers want. JOSIC data show that Illinois soybeans averaged 18.5 percent oil and about 34 percent protein in 2011, continuing a downward trend.

“Through investments we make with Illinois soybean checkoff dollars, we are learning that higher protein and oil are just as important as high yields in determining the value of our beans. We must reverse the downward trend, which ultimately will strengthen domestic and international demand and increase prices for Illinois-grown soybeans,” says Raben.

High protein and oil also are important for downstream customers. To guarantee meal with the desired 47.5 to 48 percent crude protein requires a soybean with at least 35 percent protein.

Old technology can be a real drag on yields. But growers who plant NK® brand soybeans with the Genuity® Roundup Ready 2 Yield® trait don’t have to worry about that. High-yielding genetics, drawn from the deepest germplasm pool in the industry, plus built-in insect and disease protection, help deliver consistent top-end yields in all kinds of growing conditions. So talk to your NK seed supplier this fall. And get ready to watch your soybean yields cut loose.  

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A 10-year trend shows that protein and oil levels are declining in Illinois soybeans, threatening market share. Source: JOSIC

“Livestock producers and nutritionists are major soybean meal buyers. They demand high-protein soybean meal to feed poultry and swine,” says Dan Farney, soybean farmer from Morton, Ill., and ISA secretary. “If protein levels in soybean meal from one supplier are not ideal, they are forced to look elsewhere or to supplement low-quality meal with synthetic amino acids.”

Raben says checkoff-funded efforts show that to increase the value of soybeans to processors, farmers simply should grow varieties that deliver high protein and oil, along with yield. Data are found at VIPSoybeans.org.
Wonder Why Headhauls and Backhauls Matter?

Global Soybean Container Volume has Doubled in the Last 10 Years

Illinois soybean farmers may not be familiar with the terms headhaul and backhaul. But as containerized soybean shipping becomes an increasingly viable transportation option for Illinois exports, farmers may want to learn more about these terms.

According to data from Informa Economics, containerized shipping makes up only three to four percent of Illinois soybean exports. But the growing opportunity could help Illinois soybeans stand out to global customers and help balance U.S. trade.

“Through Illinois soybean checkoff funding, ISA is seeking more containerized shipping opportunities to increase market access,” says Ron Kindred, ISA Marketing Committee chair and farmer from Atlanta, Ill. “Illinois farmers have access to one of the largest container supplies in the U.S., and that provides opportunities to develop niche markets for Illinois beans.”

So what does that have to do with headhauls and backhauls? U.S. retailers and others import manufactured goods into the U.S. in containers. That headhaul, or main shipment flow, provides ocean carriers enough profit margin to ship commodities westbound at a discounted rate to reposition the containers back to the original international port. The shipment back is referred to as the backhaul.

Illinois soybean farmers are in the right position to take advantage of containerized backhaul shipping for several reasons.

First, Chicago has one of the top 10 largest container ports in the world, providing a commercial advantage. The volume of inbound containers to Chicago is substantial when compared to other U.S. ports. Consequently, there are a significant number of containers to be filled for backhaul.

“Container availability in Illinois at the Joliet, Elwood and Chicago facilities is typically in surplus in the summer, more balanced in the fall and spring, and can be very tight in the winter,” says Jason Dunn, export traffic manager at The Gavilon Group, LLC. Gavilon provides physical distribution, merchandising and trading across basic inputs and outputs, including soybeans.

Second, demand for container-shipped soybeans comes from customers who want a specific type of soybean, such as high-protein, identity-preserved or non-GMO. Demand also comes from countries without the infrastructure to accept bulk vessels.

Third, Illinois and U.S. legislators have set goals to increase exports significantly. Soybean checkoff-funded research has revealed that exporting soybeans in containers offers a much higher return to the local economy than paper or scrap, which may otherwise fill backhauls.

USDA’s Agriculture Marketing Service has begun weekly reporting of U.S. container availability from ocean carrier members of the Westbound Transpacific Stabilization Agreement (WTSA). The goal is to help exporters, including the soybean industry, know the status of shipping containers. A link to the report is at www.ilsoy.org/isa/transportation/additional-resources/.

Global container volume has doubled in the last 10 years and is forecast to continue rising. This will likely increase the opportunity for soybeans to fill container backhauls.
Grain Handlers Share Similar Market Access Concerns

Illinois soybean farmers always have been geographically fortunate to have access to a variety of markets. But delivering high-quality soybeans through efficient handling and transportation systems can be a challenge. Grain and Feed Association of Illinois (GFAI) officials say they share much of the same concerns for market access as the Illinois soybean industry.

Steve Dennis, GFAI president and Evergreen FS, Inc., grain department manager in Bloomington, Ill., says the cost of transportation – fuel and surcharges – affects soybean prices and industry profitability. In addition, moving soybeans from on-farm storage under winter weight restrictions or hauling soybeans during harvest, also create cost and logistics issues.

“Illinois roads and bridges have the most restrictive weight limits in the country. We have more loads to move today, and not enough revenue to address the infrastructure,” says Bruce Bastert, GFAI secretary and general manager for Ludlow Cooperative Elevator Co., Ludlow, Ill. “Road and bridge repairs are a growing need, but road commissioners often are stuck in a Catch-22. Many are farmers that understand the transportation problems, but they have no budget to make the necessary repairs.”

Bastert says rising costs also affect grain handling infrastructure. “Being able to get enough capital to build bins, legs and pits that will allow farmers and grain handlers to manage larger farm equipment is a concern,” he says. “It takes more infrastructure to keep up with today’s production. The cost of a facility upgrade today is what an entire company used to be worth.”

“Grain handlers experience many of the same problems we do as farmers,” says Ron Kindred, soybean farmer from Atlanta, Ill., and ISA Marketing Committee chair. “Moving soybeans through the marketplace can be a frustration, which is why ISA directors made transportation a high priority and invested Illinois soybean checkoff dollars in seeking solutions.”

Commodity market volatility exacerbates financial strain. Margin call requirements have risen dramatically in recent years. Bastert says their seasonal credit line for hedging is three to four times greater than it used to be. “Low interest rates help, but it limits what you can spend on facility expansion,” he says.

In the short term, Dennis is concerned the 2012 drought may produce hard, dry soybeans with lower oil levels. But in the long run, he does not anticipate concerns with protein and oil.

“Foreign matter (FM) is not the problem it was before farmers started using glyphosate, either. But farmers must make sure soybeans are clean at the field level,” he says. “Be diligent with combine settings to limit the number of pods in deliveries. We want to eliminate bin clogs that can create grain entrapment problems. Remember safety first at harvest.

“So many varieties are out there today that allow Illinois farmers choices for producing quality soybeans,” says Dennis. “We also are seeing more consistent yield increases, which provide us with a more consistent product for local processor and river terminal customers.”

*Market access is critical to moving Illinois soybeans into international markets.*

44% of Illinois’ soybeans are sent to international markets.

Source: The ProExporter Network, 2012

*“Road and bridge repairs are a growing need, but road commissioners often are stuck in a Catch-22. Many are farmers that understand the transportation problems, but they have no budget to make the necessary repairs.”* – Bruce Bastert
Global Pressure for “Sustainable” Production Rises

Demand for sustainably produced products – everything from clothes to coffee – is a growing global trend. That trend now even reaches into soybeans. ISA is investing soybean checkoff dollars in programs to not only help farmers achieve greater environmental, economic and social sustainability, but also share with buyers what farmers already do.

“Soybean buyers are asking more questions about U.S. sustainability. Although farmers have used sustainable practices for many years, U.S. soybean farmers increasingly need to demonstrate their products are sustainable to ensure market access,” says Ron Moore, soybean farmer from Roseville, Ill., and ISA vice chair for sustainability.

For example, certain European Union markets require a sustainability certification for soybeans sold for biofuel use. Government, industrial and consumer sectors are encouraging sustainable practices, and, in some cases, implementing regulations and supply chain requirements to achieve sustainability goals. Walmart’s goals center around selling sustainable products and operating 100 percent on sustainable energy. Other multinationals such as Kellogg’s, Kraft and Unilever want to source more sustainable inputs.

“Today’s mainstream businesses have seen that limited environmental resources threaten their profit or even survival,” says Moore. “Every industry is affected by concerns about increasing demand for natural resources.”

ISA works with other groups to help demonstrate soybean farm sustainability:

• The Keystone Alliance is documenting soybean sustainability successes (see page 16).
• The National Soybean Sustainability Initiative (NSSI) is developing guidelines for sustainable practices to help communicate how farmers do on the sustainability front.

What’s Animal Ag Worth to Us?

CHECKOFF STUDY SHOWS IMPACT OF ANIMAL AG ON FOOD BILLS, EXPORTS, ECONOMY

If more regulations lead to higher input costs for U.S. poultry and livestock farmers, who would notice? Farmers? Consumers? People who work in the animal ag sector?

A recent soy-checkoff-funded study shows everyone would.

That study evaluated the impact increased pressures on animal ag could have on the retail price of meat, milk and eggs. It shows that if regulations cause animal-ag input costs to rise by 25 percent, the effects would include:

• AN INCREASE IN CONSUMER FOOD BILLS OF UP TO $16.8 BILLION ANNUALLY.
• A $1.1 BILLION DECREASE IN THE VALUE OF U.S. EXPORTS.
• A LOSS OF NEARLY 9,000 AMERICAN JOBS.

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IMPACT REACHES BEYOND RURAL AMERICA

The most recent statistics compiled by the soy checkoff show the U.S. poultry and livestock sectors support 1.8 million jobs and generate more than $289 billion for the U.S. economy annually.

“This could have a big impact on everyone – it’s not just the dozen eggs you and I buy at the grocery store,” says United Soybean Board (USB) Chair Vanessa Kummer, a soybean farmer from Collfax, N.D. “The poultry and livestock sectors not only support the U.S. export market, but also make our economy stronger here at home by creating jobs and tax revenue.”

YOUR BIGGEST SOY CUSTOMER BEYOND THE ELEVATOR

Animal agriculture continues to be the biggest user of U.S. soy. Poultry, livestock and fish consume 98 percent of the meal from your soybeans.

“We have to be sensitive to the issues that poultry and livestock farmers face and try to ensure they can stay in business,” says Lewis Bainbridge, a soybean and cattle farmer from Ethan, S.D., who chairs USB’s Domestic Marketing program. “It’s much easier and more profitable for us to feed our soybeans to animals here in the United States and export the chicken, pork and beef than it is to load our soybeans onto a ship.”

To learn more about why soybean farmers should support their biggest customers beyond the elevator, visit www.BeyondTheElevator.com.
ISA Board Elects 2012-13 Executive Committee

ISA last month elected its 2012-13 leadership and filled open district and at-large director positions. Bill Wykes, Yorkville, Ill., was elected to serve as chairman for the new year.

Also elected were Bill Raben, Ridgway, Ill., as vice chairman; Rob Shaffer, El Paso, Ill., as treasurer; Dan Farney, Morton, Ill., as secretary; and Mike Marron, Fithian, Ill., as assistant secretary-treasurer. The board elected Rowen Ziegler, LaHarpe, Ill., as Production Committee chair and Ron Kindred, Atlanta, Ill., as Marketing Committee chair.

ISA Gets Back to [Grass] Roots

Since initiating the “Make Your Mark” membership recruitment campaign in 2011, ISA leaders often hear soybean farmers say that they already contribute to the checkoff, so why pay more for an ISA membership? The simple answer is to protect the future of family farms from legislative pressures that can affect profitability. But, it is much more than that.

To help farmers connect with the value of ISA and the efforts made on behalf of all Illinois soybean farmers, ISA has established new, local grassroots initiatives. The continued development of county soybean groups that will provide opportunities for members and potential members to engage with ISA directors and staff near where they live and farm is integral to the strategy. These county-level organizations will not only share the importance of membership, but also assist with outreach and promotional programs that support ISA’s strategic direction. Visit www.ilsoy.org/county to find out where county groups already have formed.

In other elections several new and re-elected directors joined the ISA board:

• Paul Rasmussen Jr., Genoa, District 1
• Duane Dahlman, Marengo, District 2
• Jered Hooker, Clinton, District 10
• Wendel Lutz, Dewey, District 11
• Donald Guinnip, Marshall, District 14
• Tim Scates, Carmi, District 16
• David Droste, Nashville, District 17
• C.W. Gaffner, Greenville, at-large
• John Hagenbuch, Utica, at-large

Members Have Timely Farm Bill Talks in D.C.

Congressman Bobby Schilling from the 17th district in western Illinois (second from left) took a brief break outside the U.S. House Agriculture Committee meeting room to meet with ISA members prior to the House Ag Committee 2012 Farm Bill vote. While on Capitol Hill, Illinois soybean farmers encouraged House members to move swiftly in approving the farm bill. Current farm legislation expires at the end of September.

For more information about the farm bill, visit www.voiceforsoy.org.
Farmers Take Media on Biodiesel Field Trip

Sometimes show and tell is the best way to share information with others. ISA, through the soybean checkoff, created such an opportunity in late July. During a one-day field trip, reporters got to see how biodiesel is made, how the market has developed thanks to soybean farmers, and how biodiesel differs from other renewable fuels.

“Soybean farmers helped build the biodiesel industry. We need to keep educating the public about biodiesel benefits to continue that positive momentum,” says Bill Wykes, ISA chairman and soybean farmer from Yorkville, Ill.

Wykes kicked off the tour from the source – soybean fields. He summarized industry growth and the significant role farmers and the soybean checkoff have played. Reporters were then led through the production cycle, from field to fuel tank.

While showing media one of their Utica, Ill., soybean fields, John Hagenbuch, ISA director, and his wife, Kate, discussed the many different ways soybeans can become biodiesel feedstock.

The group toured the Northern Partners Cooperative elevator in Utica. Merchandiser Tyler Meloy explained how biodiesel has significantly improved demand and soybean prices. He noted the average oil price per pound has risen nearly 30 percent in the past decade, thanks to biodiesel. With soybean prices above $15 per bushel, that percentage equals nearly $2 per bushel.

REG Seneca, LLC, was the third tour stop. Alicia Clancy, corporate affairs manager, detailed the ASTM specification requirements, state and federal tax policies and RFS2 (Renewable Fuel Standard) obligations, as the group toured the facility.

The tour continued on to meet with Tom Stack, fuel manager at Sapp Bros. Truck Stop in Peru, Ill. “We introduced biodiesel in 2005 at a six- to 12-cents-per-gallon savings over conventional diesel,” says Stack. “Biodiesel sales have grown steadily because of attractive pricing, support for American farmers and reduced dependency on foreign crude oil.”

The tour ended back at Hagenbuch’s farm, where GRAINCO FS Energy Manager Jim Snyder met the group to discuss on-farm biodiesel use.

“The day was a success,” says Wykes. “Reporters went home having learned firsthand about biodiesel and renewable fuels. They are armed with the facts and many sources for future stories, whether the focus is on environmental or economic benefits, a sustainable and domestic source of energy, or a fuel that can be used in any existing diesel engine.”

Jeremy Shanks, lead operator at REG Seneca, explains how the facility is monitored to ensure production of high-quality and on-spec biodiesel that meets ASTM D6751 specifications.

John Hagenbuch helps Chicago Tribune photographer Chuck Berman shoot a close-up of green soybeans.

Photo by Katie Knapp

Tyler Meloy (center) discusses how he helps soybean farmers find the best market price based on transportation costs and other factors.
Volunteer Takes Family Legacy from Lee County to L.A.

It’s late June at the UCLA campus. The stage is set. The lights are on. A discussion about science, technology and food, as part of the United States Farmers and Ranchers Alliance (USFRA) Food Dialogues, is about to begin. It will be a lively discussion, and Illinois corn and soybean farmer Katie Pratt is in the center of it all.

Or at least pretty close to the center. Pratt is two seats down from moderator Michael Specter, a staff writer for The New Yorker, and next to Karen Ross, secretary for the California Department of Food and Agriculture. The ISA member from Dixon, Ill., is with fellow farmers and ranchers, organic and specialty growers, a molecular cell and developmental biology professor, a representative of the Environmental Working Group and a University of California administrator.

“We had so many different perspectives,” Pratt says. “I think we came to the conclusion that technology is a good thing; it’s just a matter of how we communicate about its uses to the public in order to ensure their trust and their belief that it’s beneficial for them as a consumer.”

Throughout the debate, tough questions were asked. But Pratt, speaking as a mom and a farmer, responded with pointed responses. It’s an art and skill that she has practiced for many years — first as a 4-H member, then as a state FFA officer, and most recently as a national finalist in the American Farm Bureau Federation’s discussion meet contest.

“The point of the Food Dialogues is to have a conversation. The point of the discussion meet is to have a conversation. It’s just different audiences and different people listening,” she says.

One of Pratt’s competitors at the state-level Farm Bureau discussion meet was ISA Assistant Secretary-Treasurer Mike Marron of Fithian, Ill. “Katie is a great competitor,” he says. “She is very knowledgeable and articulate. She is a great advocate for agriculture.”

Pratt’s trip to L.A. was quick. While she was gone, she missed out on at least one important meeting. Pratt serves as secretary of the Lee County Fair Board, which was holding its last meeting before the fair the night she was in L.A. Her husband, Andy, serves as treasurer.

Born and raised on a small diversified farm, Pratt is following her father’s footsteps on the board, a position he turned over to her. She’s also following in her family’s footsteps of opening up their farm to various groups.

“For me and my family this is part of our family legacy. Our farm doors were open to a variety of groups when I was a child and now on my own farm,” Pratt says. “As a mom, I am learning the value of listening and the value of not being defensive and just doing the right thing every day so that when people ask a question, I can answer honestly and feel good about it.”

To learn more about the Food Dialogues, visit www.fooddialogues.com. To view Katie Pratt’s, and other blogs on the Watch Us Grow website, visit www.watchusgrow.org.
Drought Decisions

Soybean farmers that suffered through moderate to severe drought this summer will likely see the effects of those conditions carry over into decisions with fall tillage and other factors, and even next spring’s planting decisions. But at least one crop expert is cautioning farmers against making any rash decisions regarding their soybean crop.

“Don’t overreact,” says Keith Porter, Mycogen Seeds Agronomy Services Leader based in Indianapolis.

When soybean plants are stressed, in this case from drought, Porter says their purpose simply becomes to produce seed to propagate themselves. “Plants are in survival mode.” The drought stress can make them abort flowers, resulting in fewer and smaller pods as well as fewer and smaller seeds. With lower moisture levels anticipated at harvest this fall, soybeans are also susceptible to mechanical damage from harvesting—something Porter expects will be a concern for seed producers.

Fall tillage choices can impact soybeans yield potential during normal years and the same holds true under drought conditions. Soil compaction from fall tillage that is performed on soil with too much moisture can be a common concern, although dry soils are less likely to be impacted.

When it comes to planning next spring’s planting, Porter advocates sticking with long-range plans.

“Plan for a “normal” 2013,” he says. “Growers planted products in 2012 that they had confidence in because of history or because they offered the genetics they were looking for. They have an understanding of why they made those decisions. This year their choices were impacted by weather.”

Porter says the basics haven’t changed and producers can’t let a single year derail longer-range plans. He says farmers should always use base criteria such as maturity, yield potential, disease and pest resistance characteristics to formulate their decisions. Extreme heat and drought conditions in 2012 were the overwhelming environmental factors that kept many soybean varieties from expressing their full genetic potential. “Weather trumps genetics in the case of a drought,” Porter adds.

With the potential for lower quality soybean seed and the potential for mechanical damage at harvest, farmers would be well served to talk to their supplier about the quality of seeds that will be available to plant next spring. It’s important that good, quality seed is used to maximize yield potential.

“The basics haven’t changed,” Porter adds. “2012 was a different production year. But you throw out the highs and the lows and look at your production history. This year was an extreme.”

Checkoff Supports Meat Showcase

More than 100 of the Western Hemisphere’s top red meat industry buyers and sellers assembled in Bogota, Colombia, this summer, with much soy-fed U.S. beef and pork changing hands. The event was the Second Annual Latin American Product Showcase, organized by the U.S. Meat Export Federation (USMEF), with funding from the Illinois soybean checkoff and others.

Colorado State University Assistant Professor Dale Woerner (right) performs a cutting demonstration during the showcase, which was funded in part by the Illinois soybean checkoff.

Report Shows Sustainable Gains

A new report released by Field to Market, the Keystone Alliance for Sustainable Agriculture, demonstrates six commodity crops, including soybeans, are produced more efficiently in the U.S. than they were 30 years ago. Additionally, production is accompanied by important improvements in farm safety and economic sustainability for farmers. Increased production to meet growing demand also has resulted in greater overall resource use by many crops.

The analyses rely on publicly available data to estimate performance on 11 agricultural sustainability indicators, ranging from soil erosion and greenhouse gas emissions to labor hours and debt-to-asset ratios. The group says trends provide broad context for discussions about priorities for more localized efforts and create a baseline to monitor future change.

During the study period (1980-2011), general trends in U.S. soybean production were as follows:

- Total soybean production increased 96 percent, and yield increased 55 percent.
- Soybeans improved on all measures of resource efficiency:
  - Per bushel land use declined 35 percent.
  - Soil erosion fell 66 percent.
  - Irrigation water applied was down 42 percent.
  - Energy use declined 42 percent.
  - Greenhouse gas emissions decreased 41 percent.

For more information or to read the entire study results, visit www.fieldtomarket.org.
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Customer Profile

SOYBEAN TRANSPORTERS
For more than 100 years, family-owned and operated DeLong Co., Inc., based in Clinton, Wisc., has served the farming industry in five areas: agronomy (fertilizer and ag chemicals), grain, seed, wholesale feed and pet food distribution and transportation. William (Bo) DeLong, grain division vice president, says being a sixth-generation family business makes relationships more personal, adds accountability and makes it easier to relate to farm customers. DeLong says Illinois soybeans are part of that business success.

Proximity to Illinois Soybeans Asset for Wisconsin Company

→ As a Wisconsin-based company, what is the draw of doing business in Illinois?

Around 30 percent of our grain volume comes from Illinois soybeans, which we export around the world via containers. Of the 15 grain elevators DeLong Co. operates, 12 are in Illinois. Proximity of these elevators to the largest intermodal container yard in the country in Joliet, Ill., is a huge asset, helping us take advantage of containerized exports and giving farmers an alternative market for their soybeans.

→ Why does DeLong Co. choose to mainly export via containers instead of bulk vessels?

Most grain moves by bulk vessel, but being so close to the Joliet container yards makes for efficient and timely business with customers who want containerized beans – typically smaller buyers who lack the need or capacity for bulk shipments or those who desire beans with specific characteristics such as high protein. We export about 90 percent of our whole soybeans to Southeast Asia, where they are crushed for oil, animal feed and food uses. The substantial amount of soybeans, grain and feedstuffs we export by container is what earned DeLong Co. the State of Illinois Agricultural Exporter of the Year award in 2011 and a 2011 Stateline World Trade Association award for global trading successes in this niche market.

→ Are customers of container exporters different than those of bulk exporters?

Sometimes a customer wants a different quality than what they can get from bulk vessels, so they turn to containerized soybeans. Container shipping allows DeLong Co. to fill a hole in the bulk-dominated market and meet a customer’s needs and specifications for high-protein, identity-preserved or non-GMO beans. The end use of the soybean usually determines whether a customer receives beans in containers, bulk vessels or a mixture of the two. Through our seed division, Delong, Co. continuously is investing in varieties ideal for container customers.

→ Do you have advice for farmers who want to sell into the container market?

There are two markets for containerized soybeans: non-GMO and commodity. If farmers are interested in entering the container market, they first have to see if their soybeans can be shipped to the Chicago and Joliet markets. If they can, farmers should contact elevators or transloaders for values. A production contract is needed for non-GMO beans, which usually is signed in the winter before planting. No contract is needed to sell commodity soybeans in the market.
Containers a Good Option for Transport to Niche Markets

Once farmers deliver soybeans to elevators, little thought may be given to whether the majority of those beans move to buyers by barge, truck or rail. ISA promotes efficiency by investing checkoff dollars into development of another transportation option for soybeans – containers.

Containerized shipping accounts for less than five percent of Illinois soybean exports, but serves an important role in developing new, niche markets. See the article on page 10 for more information. ISA is interested in growing this transportation option for Illinois soybean farmers because smaller-volume customers are able to purchase only the amount they need with containerized shipping, and can receive beans directly with ideal characteristics for their businesses.

Step One: Transloading
1. Soybeans are trucked from the farm or elevator to a transload facility. The DeLong Co. facility in Channahon, Ill., pictured here, is near the UP and BNSF intermodal facilities in Will County.
2. A conveyor or horizontal auger, as shown here, is generally used to load containers.
3. A piece of cardboard about two-thirds the height of the container is blocked with wood slats to keep the beans in place when the doors are opened. Forty-foot containers each hold about 991 bushels of soybeans.

Step Two: Intermodal Shipping to End Users
4. Containers are moved from the transload facility to the intermodal facility and loaded onto unit trains headed back to coastal ports.
5. Ocean-going vessels, like this one pictured near the Port of Oakland, deliver the containers to international ports. A main benefit of container shipping is that once the container is loaded, the beans are not handled again until they are delivered to end users around the world.

Step Three: Customers Receive Desired Quality
6. Soybeans commonly are unloaded by gravity at destination. The beans remain in the same good condition as when loaded in Illinois. The container pictured here is being unloaded in Taiwan. ISA board members and staff traveled to Taiwan in early 2012 to learn more from container customers.

Ron Kindred, ISA Marketing Committee chair and soybean farmer from Atlanta, Ill., says, “We visited Taiwan’s largest tofu producer who imports soybeans in containers exclusively from the U.S. It is very important to them to have a high-quality, clean soybean, and we are able to provide that with Illinois soybeans in containers.”

Photos by Katie Knapp and Scott Sigman
For nearly 15 years, farmers have enjoyed the power and convenience of glyphosate resistant soybeans. But, like most great things, it can’t last forever without proper care. The threat of serious weed resistance is a real problem. Glyphosate resistant weeds have been documented around the world and in the United States. Therefore, Respect the Rotation and plant Beck’s LibertyLink® resistant soybeans. When you combine the new programs and high yields of Beck’s LibertyLink soybeans, Respecting the Rotation makes sense. Otherwise, you might want to sharpen that rusty old bean hook!

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